

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Labor Relations Act is
5 amended by changing Section 15 as follows:

6 (5 ILCS 315/15) (from Ch. 48, par. 1615)

7 Sec. 15. Act Takes Precedence.

8 (a) In case of any conflict between the provisions of this
9 Act and any other law (other than Section 5 of the State
10 Employees Group Insurance Act of 1971 and other than the
11 changes made to the Illinois Pension Code by this amendatory
12 Act of the 96th General Assembly), executive order or
13 administrative regulation relating to wages, hours and
14 conditions of employment and employment relations, the
15 provisions of this Act or any collective bargaining agreement
16 negotiated thereunder shall prevail and control. Nothing in
17 this Act shall be construed to replace or diminish the rights
18 of employees established by Sections 28 and 28a of the
19 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
20 of the Regional Transportation Authority Act. The provisions of
21 this Act are subject to Section 5 of the State Employees Group
22 Insurance Act of 1971. Nothing in this Act shall be construed
23 to replace the necessity of complaints against a sworn peace

1 officer, as defined in Section 2(a) of the Uniform Peace
2 Officer Disciplinary Act, from having a complaint supported by
3 a sworn affidavit.

4 (b) Except as provided in subsection (a) above, any
5 collective bargaining contract between a public employer and a
6 labor organization executed pursuant to this Act shall
7 supersede any contrary statutes, charters, ordinances, rules
8 or regulations relating to wages, hours and conditions of
9 employment and employment relations adopted by the public
10 employer or its agents. Any collective bargaining agreement
11 entered into prior to the effective date of this Act shall
12 remain in full force during its duration.

13 (c) It is the public policy of this State, pursuant to
14 paragraphs (h) and (i) of Section 6 of Article VII of the
15 Illinois Constitution, that the provisions of this Act are the
16 exclusive exercise by the State of powers and functions which
17 might otherwise be exercised by home rule units. Such powers
18 and functions may not be exercised concurrently, either
19 directly or indirectly, by any unit of local government,
20 including any home rule unit, except as otherwise authorized by
21 this Act.

22 (Source: P.A. 95-331, eff. 8-21-07.)

23 Section 10. The Illinois Pension Code is amended by adding
24 Section 1-160 and by amending Sections 2-108.1, 2-119,
25 2-119.01, 2-119.1, 2-121.1, 2-122, 17-129, 18-124, 18-125,

1 18-125.1, 18-127, and 18-128.01 as follows:

2 (40 ILCS 5/1-160 new)

3 Sec. 1-160. Provisions applicable to new hires.

4 (a) The provisions of this Section apply to a person who
5 first becomes an employee and a participant under any
6 retirement system or pension fund under this Code, other than a
7 retirement system or pension fund established under Article 2,
8 3, 4, 5, 6, or 18 of this Code, on or after the effective date
9 of this amendatory Act of the 96th General Assembly
10 notwithstanding any other provision of this Code to the
11 contrary, but do not apply to any self-managed plan established
12 under this Code, to any person with respect to service as a
13 sheriff's law enforcement employee under Article 7, or to any
14 participant of the retirement plan established under Section
15 22-101.

16 (b) "Final average salary" means the average monthly salary
17 obtained by dividing the total salary of the participant during
18 the 96 consecutive months of service within the last 120 months
19 of service in which the total salary was the highest by the
20 number of months of service in that period; however, the annual
21 final average salary may not exceed \$106,800, as automatically
22 increased by the lesser of 3% or one-half of the annual
23 increase in the consumer price index-u during the preceding
24 12-month calendar year. For the purposes of a person who first
25 becomes an employee of any retirement system or pension fund to

1 which this Section applies on or after the effective date of
2 this amendatory Act of the 96th General Assembly, in this Code,
3 "final average salary" shall be substituted for the following:

4 (1) In Articles 7 (except for service as sheriff's law
5 enforcement employees) and 15, "final rate of earnings".

6 (2) In Articles 8, 9, 10, 11, and 12, "highest average
7 annual salary for any 4 consecutive years within the last
8 10 years of service immediately preceding the date of
9 withdrawal".

10 (3) In Article 13, "average final salary".

11 (4) In Article 14, "final average compensation".

12 (5) In Article 17, "average salary".

13 (6) In Section 22-207, "wages or salary received by him
14 at the date of retirement or discharge".

15 For the purposes of this Section, "consumer price index-u"
16 means the index published by the Bureau of Labor Statistics of
17 the United States Department of Labor that measures the average
18 change in prices of goods and services purchased by all urban
19 consumers, United States city average, all items, 1982-84 =
20 100. The new amount resulting from each annual adjustment shall
21 be determined by the Public Pension Division of the Department
22 of Insurance and made available to the boards of the retirement
23 systems and pension funds.

24 (c) A participant is entitled to a retirement annuity
25 beginning on the date specified by the participant in a written
26 application only if, on that specified date, he or she has

1 attained age 67 and has at least 10 years of service credit.

2 A participant who has attained age 62 and has at least 10
3 years of service credit may elect to receive the lower
4 retirement annuity provided in subsection (d) of this Section.

5 (d) The retirement annuity of a participant who is retiring
6 after attaining age 62 with at least 10 years of service credit
7 shall be reduced by one-half of 1% for each month that the
8 member's age is under age 67.

9 (e) Any retirement annuity or supplemental annuity shall be
10 subject to annual increases upon (1) attainment of age 67 or
11 (2) the first anniversary of the commencement of the annuity,
12 whichever occurs later. Each annual increase shall be
13 calculated at 3% or one-half the annual increase in the
14 consumer price index-u for the preceding calendar year,
15 whichever is less, of the originally granted retirement
16 annuity. If the increase in the consumer price index-u for the
17 preceding calendar year is zero or there is a decrease, then
18 the annuity shall not be increased.

19 (f) The initial survivor's annuity of an otherwise eligible
20 survivor of a participant who first becomes a participant on or
21 after the effective date of this amendatory Act of the 96th
22 General Assembly shall be in the amount of 66 2/3% of the
23 participant's earned retirement annuity at the date of death
24 and shall be increased (1) on each January 1 occurring on or
25 after the commencement of the annuity if the deceased member
26 died while receiving a retirement annuity or (2) in other

1 cases, on each January 1 occurring after the first anniversary
2 of the commencement of the annuity. Each annual increase shall
3 be calculated at 3% or one-half the annual increase in the
4 consumer price index-u for the preceding calendar year,
5 whichever is less, of the originally granted survivor's
6 annuity. If the increase in the consumer price index-u for the
7 preceding calendar year is zero or there is a decrease, then
8 the annuity shall not be increased.

9 (g) The benefits in Section 14-110 apply only if the person
10 is a State policeman, a fire fighter in the fire protection
11 service of a department, or a security employee of the
12 Department of Corrections or the Department of Juvenile
13 Justice, as those terms are defined in subsection (b) of
14 Section 14-110. A person who meets the requirements of this
15 Section is entitled to an annuity calculated under the
16 provisions of Section 14-110, in lieu of the regular or minimum
17 retirement annuity, only if the person has withdrawn from
18 service with not less than 20 years of eligible creditable
19 service and has attained age 60, regardless of whether the
20 attainment of age 60 occurs while the person is still in
21 service.

22 (h) If a person who first becomes a member of a retirement
23 system or pension fund subject to this Section on or after the
24 effective date of this amendatory Act of the 96th General
25 Assembly is receiving a retirement annuity or retirement
26 pension under that system or fund and accepts employment in a

1 position covered under the same Article or any other Article of
2 this Code on a full-time basis, then the person's retirement
3 annuity or retirement pension under that system or fund shall
4 be suspended during that employment. Upon termination of that
5 employment, the person's retirement annuity or retirement
6 pension payments shall resume and, if appropriate, be
7 recalculated under the applicable provisions of this Code.

8 (i) Notwithstanding any other provision of this Section, a
9 person who first becomes a participant of the retirement system
10 established under Article 15 on or after the effective date of
11 this amendatory Act of the 96th General Assembly shall have the
12 option to enroll in the self-managed plan created under Section
13 15-158.2 of this Code.

14 (j) In the case of a conflict between the provisions of
15 this Section and any other provision of this Code, the
16 provisions of this Section shall control.

17 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

18 Sec. 2-108.1. Highest salary for annuity purposes.

19 (a) "Highest salary for annuity purposes" means whichever
20 of the following is applicable to the participant:

21 For a participant who first becomes a participant of this
22 System before August 10, 2009 (the effective date of Public Act
23 96-207) ~~this amendatory Act of the 96th General Assembly:~~

24 (1) For a participant who is a member of the General
25 Assembly on his or her last day of service: the highest

1 salary that is prescribed by law, on the participant's last
2 day of service, for a member of the General Assembly who is
3 not an officer; plus, if the participant was elected or
4 appointed to serve as an officer of the General Assembly
5 for 2 or more years and has made contributions as required
6 under subsection (d) of Section 2-126, the highest
7 additional amount of compensation prescribed by law, at the
8 time of the participant's service as an officer, for
9 members of the General Assembly who serve in that office.

10 (2) For a participant who holds one of the State
11 executive offices specified in Section 2-105 on his or her
12 last day of service: the highest salary prescribed by law
13 for service in that office on the participant's last day of
14 service.

15 (3) For a participant who is Clerk or Assistant Clerk
16 of the House of Representatives or Secretary or Assistant
17 Secretary of the Senate on his or her last day of service:
18 the salary received for service in that capacity on the
19 last day of service, but not to exceed the highest salary
20 (including additional compensation for service as an
21 officer) that is prescribed by law on the participant's
22 last day of service for the highest paid officer of the
23 General Assembly.

24 (4) For a participant who is a continuing participant
25 under Section 2-117.1 on his or her last day of service:
26 the salary received for service in that capacity on the

1 last day of service, but not to exceed the highest salary
2 (including additional compensation for service as an
3 officer) that is prescribed by law on the participant's
4 last day of service for the highest paid officer of the
5 General Assembly.

6 For a participant who first becomes a participant of this
7 System on or after August 10, 2009 (the effective date of
8 Public Act 96-207) and before the effective date of this
9 amendatory Act of the 96th General Assembly ~~this amendatory Act~~
10 ~~of the 96th General Assembly~~, the average monthly salary
11 obtained by dividing the total salary of the participant during
12 the period of: (1) the 48 consecutive months of service within
13 the last 120 months of service in which the total compensation
14 was the highest, or (2) the total period of service, if less
15 than 48 months, by the number of months of service in that
16 period.

17 For a participant who first becomes a participant of this
18 System on or after the effective date of this amendatory Act of
19 the 96th General Assembly, the average monthly salary obtained
20 by dividing the total salary of the participant during the 96
21 consecutive months of service within the last 120 months of
22 service in which the total compensation was the highest by the
23 number of months of service in that period; however, the
24 highest salary for annuity purposes may not exceed the Social
25 Security Covered Wage Base for 2010, and shall automatically be
26 increased or decreased, as applicable, by a percentage equal to

1 the percentage change in the consumer price index-u during the
2 preceding 12-month calendar year. "Consumer price index-u"
3 means the index published by the Bureau of Labor Statistics of
4 the United States Department of Labor that measures the average
5 change in prices of goods and services purchased by all urban
6 consumers, United States city average, all items, 1982-84 =
7 100. The new amount resulting from each annual adjustment shall
8 be determined by the Public Pension Division of the Department
9 of Insurance and made available to the Board.

10 (b) The earnings limitations of subsection (a) apply to
11 earnings under any other participating system under the
12 Retirement Systems Reciprocal Act that are considered in
13 calculating a proportional annuity under this Article, except
14 in the case of a person who first became a member of this
15 System before August 22, 1994.

16 (c) In calculating the subsection (a) earnings limitation
17 to be applied to earnings under any other participating system
18 under the Retirement Systems Reciprocal Act for the purpose of
19 calculating a proportional annuity under this Article, the
20 participant's last day of service shall be deemed to mean the
21 last day of service in any participating system from which the
22 person has applied for a proportional annuity under the
23 Retirement Systems Reciprocal Act.

24 (Source: P.A. 96-207, eff. 8-10-09.)

25 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

1 Sec. 2-119. Retirement annuity - conditions for
2 eligibility.

3 (a) A participant whose service as a member is terminated,
4 regardless of age or cause, is entitled to a retirement annuity
5 beginning on the date specified by the participant in a written
6 application subject to the following conditions:

7 1. The date the annuity begins does not precede the
8 date of final termination of service, or is not more than
9 30 days before the receipt of the application by the board
10 in the case of annuities based on disability or one year
11 before the receipt of the application in the case of
12 annuities based on attained age;

13 2. The participant meets one of the following
14 eligibility requirements:

15 For a participant who first becomes a participant of
16 this System before the effective date of this amendatory
17 Act of the 96th General Assembly:

18 (A) He or she has attained age 55 and has at least
19 8 years of service credit;

20 (B) He or she has attained age 62 and terminated
21 service after July 1, 1971 with at least 4 years of
22 service credit; or

23 (C) He or she has completed 8 years of service and
24 has become permanently disabled and as a consequence,
25 is unable to perform the duties of his or her office.

26 For a participant who first becomes a participant of

1 this System on or after the effective date of this
2 amendatory Act of the 96th General Assembly, he or she has
3 attained age 67 and has at least 8 years of service credit.

4 (a-5) A participant who first becomes a participant of this
5 System on or after the effective date of this amendatory Act of
6 the 96th General Assembly who has attained age 62 and has at
7 least 8 years of service credit may elect to receive the lower
8 retirement annuity provided in paragraph (c) of Section
9 2-119.01 of this Code.

10 (b) A participant shall be considered permanently disabled
11 only if: (1) disability occurs while in service and is of such
12 a nature as to prevent him or her from reasonably performing
13 the duties of his or her office at the time; and (2) the board
14 has received a written certificate by at least 2 licensed
15 physicians appointed by the board stating that the member is
16 disabled and that the disability is likely to be permanent.

17 (Source: P.A. 83-1440.)

18 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

19 Sec. 2-119.01. Retirement annuities - Amount.

20 (a) For a participant in service after June 30, 1977 who
21 has not made contributions to this System after January 1,
22 1982, the annual retirement annuity is 3% for each of the first
23 8 years of service, plus 4% for each of the next 4 years of
24 service, plus 5% for each year of service in excess of 12
25 years, based on the participant's highest salary for annuity

1 purposes. The maximum retirement annuity payable shall be 80%
2 of the participant's highest salary for annuity purposes.

3 (b) For a participant in service after June 30, 1977 who
4 has made contributions to this System on or after January 1,
5 1982, the annual retirement annuity is 3% for each of the first
6 4 years of service, plus 3 1/2% for each of the next 2 years of
7 service, plus 4% for each of the next 2 years of service, plus
8 4 1/2% for each of the next 4 years of service, plus 5% for each
9 year of service in excess of 12 years, of the participant's
10 highest salary for annuity purposes. The maximum retirement
11 annuity payable shall be 85% of the participant's highest
12 salary for annuity purposes.

13 (c) Notwithstanding any other provision of this Article,
14 for a participant who first becomes a participant on or after
15 the effective date of this amendatory Act of the 96th General
16 Assembly, the annual retirement annuity is 3% of the
17 participant's highest salary for annuity purposes for each year
18 of service. The maximum retirement annuity payable shall be 60%
19 of the participant's highest salary for annuity purposes.

20 (d) Notwithstanding any other provision of this Article,
21 for a participant who first becomes a participant on or after
22 the effective date of this amendatory Act of the 96th General
23 Assembly and who is retiring after attaining age 62 with at
24 least 8 years of service credit, the retirement annuity shall
25 be reduced by one-half of 1% for each month that the member's
26 age is under age 67.

1 (Source: P.A. 86-1488.)

2 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

3 Sec. 2-119.1. Automatic increase in retirement annuity.

4 (a) A participant who retires after June 30, 1967, and who
5 has not received an initial increase under this Section before
6 the effective date of this amendatory Act of 1991, shall, in
7 January or July next following the first anniversary of
8 retirement, whichever occurs first, and in the same month of
9 each year thereafter, but in no event prior to age 60, have the
10 amount of the originally granted retirement annuity increased
11 as follows: for each year through 1971, 1 1/2%; for each year
12 from 1972 through 1979, 2%; and for 1980 and each year
13 thereafter, 3%. Annuitants who have received an initial
14 increase under this subsection prior to the effective date of
15 this amendatory Act of 1991 shall continue to receive their
16 annual increases in the same month as the initial increase.

17 (b) Beginning January 1, 1990, for eligible participants
18 who remain in service after attaining 20 years of creditable
19 service, the 3% increases provided under subsection (a) shall
20 begin to accrue on the January 1 next following the date upon
21 which the participant (1) attains age 55, or (2) attains 20
22 years of creditable service, whichever occurs later, and shall
23 continue to accrue while the participant remains in service;
24 such increases shall become payable on January 1 or July 1,
25 whichever occurs first, next following the first anniversary of

1 retirement. For any person who has service credit in the System
2 for the entire period from January 15, 1969 through December
3 31, 1992, regardless of the date of termination of service, the
4 reference to age 55 in clause (1) of this subsection (b) shall
5 be deemed to mean age 50.

6 This subsection (b) does not apply to any person who first
7 becomes a member of the System after the effective date of this
8 amendatory Act of the 93rd General Assembly.

9 (b-5) Notwithstanding any other provision of this Article,
10 a participant who first becomes a participant on or after the
11 effective date of this amendatory Act of the 96th General
12 Assembly shall, in January or July next following the first
13 anniversary of retirement, whichever occurs first, and in the
14 same month of each year thereafter, but in no event prior to
15 age 67, have the amount of the retirement annuity then being
16 paid increased by 3% or the annual change in the Consumer Price
17 Index for All Urban Consumers, whichever is less.

18 (c) The foregoing provisions relating to automatic
19 increases are not applicable to a participant who retires
20 before having made contributions (at the rate prescribed in
21 Section 2-126) for automatic increases for less than the
22 equivalent of one full year. However, in order to be eligible
23 for the automatic increases, such a participant may make
24 arrangements to pay to the system the amount required to bring
25 the total contributions for the automatic increase to the
26 equivalent of one year's contributions based upon his or her

1 last salary.

2 (d) A participant who terminated service prior to July 1,
3 1967, with at least 14 years of service is entitled to an
4 increase in retirement annuity beginning January, 1976, and to
5 additional increases in January of each year thereafter.

6 The initial increase shall be 1 1/2% of the originally
7 granted retirement annuity multiplied by the number of full
8 years that the annuitant was in receipt of such annuity prior
9 to January 1, 1972, plus 2% of the originally granted
10 retirement annuity for each year after that date. The
11 subsequent annual increases shall be at the rate of 2% of the
12 originally granted retirement annuity for each year through
13 1979 and at the rate of 3% for 1980 and thereafter.

14 (e) Beginning January 1, 1990, all automatic annual
15 increases payable under this Section shall be calculated as a
16 percentage of the total annuity payable at the time of the
17 increase, including previous increases granted under this
18 Article.

19 (Source: P.A. 93-494, eff. 8-8-03.)

20 (40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

21 Sec. 2-121.1. Survivor's annuity - amount.

22 (a) A surviving spouse shall be entitled to 66 2/3% of the
23 amount of retirement annuity to which the participant or
24 annuitant was entitled on the date of death, without regard to
25 whether the participant had attained age 55 prior to his or her

1 death, subject to a minimum payment of 10% of salary. If a
2 surviving spouse, regardless of age, has in his or her care at
3 the date of death any eligible child or children of the
4 participant, the survivor's annuity shall be the greater of the
5 following: (1) 66 2/3% of the amount of retirement annuity to
6 which the participant or annuitant was entitled on the date of
7 death, or (2) 30% of the participant's salary increased by 10%
8 of salary on account of each such child, subject to a total
9 payment for the surviving spouse and children of 50% of salary.
10 If eligible children survive but there is no surviving spouse,
11 or if the surviving spouse dies or becomes disqualified by
12 remarriage while eligible children survive, each eligible
13 child shall be entitled to an annuity of 20% of salary, subject
14 to a maximum total payment for all such children of 50% of
15 salary.

16 However, the survivor's annuity payable under this Section
17 shall not be less than 100% of the amount of retirement annuity
18 to which the participant or annuitant was entitled on the date
19 of death, if he or she is survived by a dependent disabled
20 child.

21 The salary to be used for determining these benefits shall
22 be the salary used for determining the amount of retirement
23 annuity as provided in Section 2-119.01.

24 (b) Upon the death of a participant after the termination
25 of service or upon death of an annuitant, the maximum total
26 payment to a surviving spouse and eligible children, or to

1 eligible children alone if there is no surviving spouse, shall
2 be 75% of the retirement annuity to which the participant or
3 annuitant was entitled, unless there is a dependent disabled
4 child among the survivors.

5 (c) When a child ceases to be an eligible child, the
6 annuity to that child, or to the surviving spouse on account of
7 that child, shall thereupon cease, and the annuity payable to
8 the surviving spouse or other eligible children shall be
9 recalculated if necessary.

10 Upon the ineligibility of the last eligible child, the
11 annuity shall immediately revert to the amount payable upon
12 death of a participant or annuitant who leaves no eligible
13 children. If the surviving spouse is then under age 50, the
14 annuity as revised shall be deferred until the attainment of
15 age 50.

16 (d) Beginning January 1, 1990, every survivor's annuity
17 shall be increased (1) on each January 1 occurring on or after
18 the commencement of the annuity if the deceased member died
19 while receiving a retirement annuity, or (2) in other cases, on
20 each January 1 occurring on or after the first anniversary of
21 the commencement of the annuity, by an amount equal to 3% of
22 the current amount of the annuity, including any previous
23 increases under this Article. Such increases shall apply
24 without regard to whether the deceased member was in service on
25 or after the effective date of this amendatory Act of 1991, but
26 shall not accrue for any period prior to January 1, 1990.

1 (d-5) Notwithstanding any other provision of this Article,
2 the initial survivor's annuity of a survivor of a participant
3 who first becomes a participant on or after the effective date
4 of this amendatory Act of the 96th General Assembly shall be in
5 the amount of 66 2/3% of the amount of the retirement annuity
6 to which the participant or annuitant was entitled on the date
7 of death and shall be increased (1) on each January 1 occurring
8 on or after the commencement of the annuity if the deceased
9 member died while receiving a retirement annuity or (2) in
10 other cases, on each January 1 occurring on or after the first
11 anniversary of the commencement of the annuity, by an amount
12 equal to 3% or the annual change in the Consumer Price Index
13 for All Urban Consumers, whichever is less, of the survivor's
14 annuity then being paid.

15 (e) Notwithstanding any other provision of this Article,
16 beginning January 1, 1990, the minimum survivor's annuity
17 payable to any person who is entitled to receive a survivor's
18 annuity under this Article shall be \$300 per month, without
19 regard to whether or not the deceased participant was in
20 service on the effective date of this amendatory Act of 1989.

21 (f) In the case of a proportional survivor's annuity
22 arising under the Retirement Systems Reciprocal Act where the
23 amount payable by the System on January 1, 1993 is less than
24 \$300 per month, the amount payable by the System shall be
25 increased beginning on that date by a monthly amount equal to
26 \$2 for each full year that has expired since the annuity began.

1 (Source: P.A. 91-887, eff. 7-6-00.)

2 (40 ILCS 5/2-122) (from Ch. 108 1/2, par. 2-122)

3 Sec. 2-122. Re-entry after retirement. An annuitant who
4 re-enters service as a member shall become a participant on the
5 date of re-entry and retirement annuity payments shall cease at
6 that time. The participant shall resume contributions to the
7 system on the date of re-entry at the rates then in effect and
8 shall begin to accrue additional service credit. He or she
9 shall be entitled to all rights and privileges in the system,
10 including death and disability benefits, subject to the
11 limitations herein provided, except refund of retirement
12 annuity contributions.

13 Upon subsequent retirement, the participant shall be
14 entitled to a retirement annuity consisting of: (1) the amount
15 of retirement annuity previously granted and terminated by
16 re-entry into service; and (2) the amount of additional
17 retirement annuity earned during the additional service based
18 on the provisions in effect at the date of such subsequent
19 retirement. However, the total retirement annuity shall not
20 exceed the maximum retirement annuity applicable at the date of
21 the participant's last retirement. If the salary of the
22 participant following the latest re-entry into service is
23 higher than that in effect at the date of the previous
24 retirement and the participant restores to the system all
25 amounts previously received as retirement annuity payments,

1 upon subsequent retirement, the retirement annuity shall be
2 recalculated for all service credited under the system as
3 though the participant had not previously retired.

4 The repayment of retirement annuity payments must be made
5 by the participant in a single sum or by a withholding from
6 salary within a period of 6 years from date of re-entry and in
7 any event before subsequent retirement. If previous annuity
8 payments have not been repaid to the system at the date of
9 death of the participant, any remaining balance must be fully
10 repaid to the system before any further annuity shall be
11 payable.

12 Such member, if unmarried at date of his last retirement,
13 shall also be entitled to a refund of widow's and widower's
14 annuity contributions, without interest, covering the period
15 from the date of re-entry into service to the date of last
16 retirement.

17 Notwithstanding any other provision of this Article, if a
18 person who first becomes a participant under this System on or
19 after the effective date of this amendatory Act of the 96th
20 General Assembly is receiving a retirement annuity under this
21 Article and accepts employment in a position covered under this
22 Article or any other Article of this Code on a full-time basis,
23 then the person's retirement annuity under this System shall be
24 suspended during that employment. Upon termination of that
25 employment, the person's retirement annuity shall resume and,
26 if appropriate, be recalculated under the applicable

1 provisions of this Article.

2 (Source: P.A. 83-1440.)

3 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

4 Sec. 17-129. Employer contributions; deficiency in Fund.

5 (a) If in any fiscal year of the Board of Education ending
6 prior to 1997 the total amounts paid to the Fund from the Board
7 of Education (other than under this subsection, and other than
8 amounts used for making or "picking up" contributions on behalf
9 of teachers) and from the State do not equal the total
10 contributions made by or on behalf of the teachers for such
11 year, or if the total income of the Fund in any such fiscal
12 year of the Board of Education from all sources is less than
13 the total such expenditures by the Fund for such year, the
14 Board of Education shall, in the next succeeding year, in
15 addition to any other payment to the Fund set apart and
16 appropriate from moneys from its tax levy for educational
17 purposes, a sum sufficient to remove such deficiency or
18 deficiencies, and promptly pay such sum into the Fund in order
19 to restore any of the reserves of the Fund that may have been
20 so temporarily applied. Any amounts received by the Fund after
21 December 4, 1997 from State appropriations, including under
22 Section 17-127, shall be a credit against and shall fully
23 satisfy any obligation that may have arisen, or be claimed to
24 have arisen, under this subsection (a) as a result of any
25 deficiency or deficiencies in the fiscal year of the Board of

1 Education ending in calendar year 1997.

2 (b) (i) Notwithstanding any other provision of this
3 Section, and notwithstanding any prior certification by the
4 Board under subsection (c) for fiscal year 2011, the Board of
5 Education's total required contribution to the Fund for fiscal
6 year 2011 under this Section is \$187,000,000.

7 (ii) Notwithstanding any other provision of this Section,
8 the Board of Education's total required contribution to the
9 Fund for fiscal year 2012 under this Section is \$192,000,000.

10 (iii) Notwithstanding any other provision of this Section,
11 the Board of Education's total required contribution to the
12 Fund for fiscal year 2013 under this Section is \$196,000,000.

13 (iv) For fiscal years 2014 through 2059, the minimum
14 contribution to the Fund to be made by the Board of Education
15 in each fiscal year shall be an amount determined by the Fund
16 to be sufficient to bring the total assets of the Fund up to
17 90% of the total actuarial liabilities of the Fund by the end
18 of fiscal year 2059. In making these determinations, the
19 required Board of Education contribution shall be calculated
20 each year as a level percentage of the applicable employee
21 payrolls over the years remaining to and including fiscal year
22 2059 and shall be determined under the projected unit credit
23 actuarial cost method.

24 (v) Beginning in fiscal year 2060, the minimum Board of
25 Education contribution for each fiscal year shall be the amount
26 needed to maintain the total assets of the Fund at 90% of the

1 total actuarial liabilities of the Fund.

2 (vi) Notwithstanding any other provision of this
3 subsection (b), for any fiscal year, the contribution to the
4 Fund from the Board of Education shall not be required to be in
5 excess of the amount calculated as needed to maintain the
6 assets (or cause the assets to be) at the 90% level by the end
7 of the fiscal year.

8 (vii) Any contribution by the State to or for the benefit
9 of the Fund, including, without limitation, as referred to
10 under Section 17-127, shall be a credit against any
11 contribution required to be made by the Board of Education
12 under this subsection (b).

13 ~~(b) (i) For fiscal years 2011 through 2045, the minimum~~
14 ~~contribution to the Fund to be made by the Board of Education~~
15 ~~in each fiscal year shall be an amount determined by the Fund~~
16 ~~to be sufficient to bring the total assets of the Fund up to~~
17 ~~90% of the total actuarial liabilities of the Fund by the end~~
18 ~~of fiscal year 2045. In making these determinations, the~~
19 ~~required Board of Education contribution shall be calculated~~
20 ~~each year as a level percentage of the applicable employee~~
21 ~~payrolls over the years remaining to and including fiscal year~~
22 ~~2045 and shall be determined under the projected unit credit~~
23 ~~actuarial cost method.~~

24 ~~(ii) For fiscal years 1999 through 2010, the Board of~~
25 ~~Education's contribution to the Fund, as a percentage of the~~
26 ~~applicable employee payroll, shall be increased in equal annual~~

1 ~~increments so that by fiscal year 2011, the Board of Education~~
2 ~~is contributing at the rate required under this subsection.~~

3 ~~(iii) Beginning in fiscal year 2046, the minimum Board of~~
4 ~~Education contribution for each fiscal year shall be the amount~~
5 ~~needed to maintain the total assets of the Fund at 90% of the~~
6 ~~total actuarial liabilities of the Fund.~~

7 ~~(iv) Notwithstanding the provisions of paragraphs (i),~~
8 ~~(ii), and (iii) of this subsection (b), for any fiscal year the~~
9 ~~contribution to the Fund from the Board of Education shall not~~
10 ~~be required to be in excess of the amount calculated as needed~~
11 ~~to maintain the assets (or cause the assets to be) at the 90%~~
12 ~~level by the end of the fiscal year.~~

13 ~~(v) Any contribution by the State to or for the benefit of~~
14 ~~the Fund, including, without limitation, as referred to under~~
15 ~~Section 17-127, shall be a credit against any contribution~~
16 ~~required to be made by the Board of Education under this~~
17 ~~subsection (b).~~

18 (c) The Board shall determine the amount of Board of
19 Education contributions required for each fiscal year on the
20 basis of the actuarial tables and other assumptions adopted by
21 the Board and the recommendations of the actuary, in order to
22 meet the minimum contribution requirements of subsections (a)
23 and (b). Annually, on or before February 28, the Board shall
24 certify to the Board of Education the amount of the required
25 Board of Education contribution for the coming fiscal year. The
26 certification shall include a copy of the actuarial

1 recommendations upon which it is based.

2 (Source: P.A. 89-15, eff. 5-30-95; 90-548, eff. 12-4-97;
3 90-566, eff. 1-2-98; 90-655, eff. 7-30-98.)

4 (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

5 Sec. 18-124. Retirement annuities - conditions for
6 eligibility.

7 (a) This subsection (a) applies to a participant who first
8 serves as a judge before the effective date of this amendatory
9 Act of the 96th General Assembly.

10 A participant whose employment as a judge is terminated,
11 regardless of age or cause is entitled to a retirement annuity
12 beginning on the date specified in a written application
13 subject to the following:

14 (1) the date the annuity begins is subsequent to the
15 date of final termination of employment, or the date 30
16 days prior to the receipt of the application by the board
17 for annuities based on disability, or one year before the
18 receipt of the application by the board for annuities based
19 on attained age;

20 (2) the participant is at least age 55, or has become
21 permanently disabled and as a consequence is unable to
22 perform the duties of his or her office;

23 (3) the participant has at least 10 years of service
24 credit except that a participant terminating service after
25 June 30 1975, with at least 6 years of service credit,

1 shall be entitled to a retirement annuity at age 62 or
2 over;

3 (4) the participant is not receiving or entitled to
4 receive, at the date of retirement, any salary from an
5 employer for service currently performed.

6 (b) This subsection (b) applies to a participant who first
7 serves as a judge on or after the effective date of this
8 amendatory Act of the 96th General Assembly.

9 A participant who has at least 8 years of creditable
10 service is entitled to a retirement annuity when he or she has
11 attained age 67.

12 A member who has attained age 62 and has at least 8 years
13 of service credit may elect to receive the lower retirement
14 annuity provided in subsection (d) of Section 18-125 of this
15 Code.

16 (Source: P.A. 83-1440.)

17 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

18 Sec. 18-125. Retirement annuity amount.

19 (a) The annual retirement annuity for a participant who
20 terminated service as a judge prior to July 1, 1971 shall be
21 based on the law in effect at the time of termination of
22 service.

23 (b) Except as provided in subsection (b-5), effective
24 ~~Effective~~ July 1, 1971, the retirement annuity for any
25 participant in service on or after such date shall be 3 1/2% of

1 final average salary, as defined in this Section, for each of
2 the first 10 years of service, and 5% of such final average
3 salary for each year of service on excess of 10.

4 For purposes of this Section, final average salary for a
5 participant who first serves as a judge before August 10, 2009
6 (the effective date of Public Act 96-207) ~~this amendatory Act~~
7 ~~of the 96th General Assembly~~ shall be:

8 (1) the average salary for the last 4 years of credited
9 service as a judge for a participant who terminates service
10 before July 1, 1975.

11 (2) for a participant who terminates service after June
12 30, 1975 and before July 1, 1982, the salary on the last
13 day of employment as a judge.

14 (3) for any participant who terminates service after
15 June 30, 1982 and before January 1, 1990, the average
16 salary for the final year of service as a judge.

17 (4) for a participant who terminates service on or
18 after January 1, 1990 but before the effective date of this
19 amendatory Act of 1995, the salary on the last day of
20 employment as a judge.

21 (5) for a participant who terminates service on or
22 after the effective date of this amendatory Act of 1995,
23 the salary on the last day of employment as a judge, or the
24 highest salary received by the participant for employment
25 as a judge in a position held by the participant for at
26 least 4 consecutive years, whichever is greater.

1 However, in the case of a participant who elects to
2 discontinue contributions as provided in subdivision (a)(2) of
3 Section 18-133, the time of such election shall be considered
4 the last day of employment in the determination of final
5 average salary under this subsection.

6 For a participant who first serves as a judge on or after
7 August 10, 2009 (the effective date of Public Act 96-207) and
8 before the effective date of this amendatory Act of the 96th
9 General Assembly ~~this amendatory Act of the 96th General~~
10 ~~Assembly~~, final average salary shall be the average monthly
11 salary obtained by dividing the total salary of the participant
12 during the period of: (1) the 48 consecutive months of service
13 within the last 120 months of service in which the total
14 compensation was the highest, or (2) the total period of
15 service, if less than 48 months, by the number of months of
16 service in that period.

17 The maximum retirement annuity for any participant shall be
18 85% of final average salary.

19 (b-5) Notwithstanding any other provision of this Article,
20 for a participant who first serves as a judge on or after the
21 effective date of this amendatory Act of the 96th General
22 Assembly, the annual retirement annuity is 3% of the
23 participant's final average salary for each year of service.
24 The maximum retirement annuity payable shall be 60% of the
25 participant's final average salary.

26 For a participant who first serves as a judge on or after

1 the effective date of this amendatory Act of the 96th General
2 Assembly, final average salary shall be the average monthly
3 salary obtained by dividing the total salary of the judge
4 during the 96 consecutive months of service within the last 120
5 months of service in which the total salary was the highest by
6 the number of months of service in that period; however, the
7 final average salary may not exceed the Social Security Covered
8 Wage Base for 2010, and shall automatically be increased or
9 decreased, as applicable, by a percentage equal to the
10 percentage change in the consumer price index-u during the
11 preceding 12-month calendar year. "Consumer price index-u"
12 means the index published by the Bureau of Labor Statistics of
13 the United States Department of Labor that measures the average
14 change in prices of goods and services purchased by all urban
15 consumers, United States city average, all items, 1982-84 =
16 100. The new amount resulting from each annual adjustment shall
17 be determined by the Public Pension Division of the Department
18 of Insurance and made available to the Board.

19 (c) The retirement annuity for a participant who retires
20 prior to age 60 with less than 28 years of service in the
21 System shall be reduced 1/2 of 1% for each month that the
22 participant's age is under 60 years at the time the annuity
23 commences. However, for a participant who retires on or after
24 the effective date of this amendatory Act of the 91st General
25 Assembly, the percentage reduction in retirement annuity
26 imposed under this subsection shall be reduced by 5/12 of 1%

1 for every month of service in this System in excess of 20
2 years, and therefore a participant with at least 26 years of
3 service in this System may retire at age 55 without any
4 reduction in annuity.

5 The reduction in retirement annuity imposed by this
6 subsection shall not apply in the case of retirement on account
7 of disability.

8 (d) Notwithstanding any other provision of this Article,
9 for a participant who first serves as a judge on or after the
10 effective date of this amendatory Act of the 96th General
11 Assembly and who is retiring after attaining age 62, the
12 retirement annuity shall be reduced by 1/2 of 1% for each month
13 that the participant's age is under age 67 at the time the
14 annuity commences.

15 (Source: P.A. 96-207, eff. 8-10-09; revised 10-30-09.)

16 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

17 Sec. 18-125.1. Automatic increase in retirement annuity. A
18 participant who retires from service after June 30, 1969,
19 shall, in January of the year next following the year in which
20 the first anniversary of retirement occurs, and in January of
21 each year thereafter, have the amount of his or her originally
22 granted retirement annuity increased as follows: for each year
23 up to and including 1971, 1 1/2%; for each year from 1972
24 through 1979 inclusive, 2%; and for 1980 and each year
25 thereafter, 3%.

1 Notwithstanding any other provision of this Article, a
2 retirement annuity for a participant who first serves as a
3 judge on or after the effective date of this amendatory Act of
4 the 96th General Assembly shall be increased in January of the
5 year next following the year in which the first anniversary of
6 retirement occurs, and in January of each year thereafter, by
7 an amount equal to 3% or the annual change in the Consumer
8 Price Index for All Urban Consumers, whichever is less, of the
9 retirement annuity then being paid.

10 This Section is not applicable to a participant who retires
11 before he or she has made contributions at the rate prescribed
12 in Section 18-133 for automatic increases for not less than the
13 equivalent of one full year, unless such a participant arranges
14 to pay the system the amount required to bring the total
15 contributions for the automatic increase to the equivalent of
16 one year's contribution based upon his or her last year's
17 salary.

18 This Section is applicable to all participants in service
19 after June 30, 1969 unless a participant has elected, prior to
20 September 1, 1969, in a written direction filed with the board
21 not to be subject to the provisions of this Section. Any
22 participant in service on or after July 1, 1992 shall have the
23 option of electing prior to April 1, 1993, in a written
24 direction filed with the board, to be covered by the provisions
25 of the 1969 amendatory Act. Such participant shall be required
26 to make the aforesaid additional contributions with compound

1 interest at 4% per annum.

2 Any participant who has become eligible to receive the
3 maximum rate of annuity and who resumes service as a judge
4 after receiving a retirement annuity under this Article shall
5 have the amount of his or her retirement annuity increased by
6 3% of the originally granted annuity amount for each year of
7 such resumed service, beginning in January of the year next
8 following the date of such resumed service, upon subsequent
9 termination of such resumed service.

10 Beginning January 1, 1990, all automatic annual increases
11 payable under this Section shall be calculated as a percentage
12 of the total annuity payable at the time of the increase,
13 including previous increases granted under this Article.

14 (Source: P.A. 86-273; 87-1265.)

15 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

16 Sec. 18-127. Retirement annuity - suspension on
17 reemployment.

18 (a) A participant receiving a retirement annuity who is
19 regularly employed for compensation by an employer other than a
20 county, in any capacity, shall have his or her retirement
21 annuity payments suspended during such employment. Upon
22 termination of such employment, retirement annuity payments at
23 the previous rate shall be resumed.

24 If such a participant resumes service as a judge, he or she
25 shall receive credit for any additional service. Upon

1 subsequent retirement, his or her retirement annuity shall be
2 the amount previously granted, plus the amount earned by the
3 additional judicial service under the provisions in effect
4 during the period of such additional service. However, if the
5 participant was receiving the maximum rate of annuity at the
6 time of re-employment, he or she may elect, in a written
7 direction filed with the board, not to receive any additional
8 service credit during the period of re-employment. In such
9 case, contributions shall not be required during the period of
10 re-employment. Any such election shall be irrevocable.

11 (b) Beginning January 1, 1991, any participant receiving a
12 retirement annuity who accepts temporary employment from an
13 employer other than a county for a period not exceeding 75
14 working days in any calendar year shall not be deemed to be
15 regularly employed for compensation or to have resumed service
16 as a judge for the purposes of this Article. A day shall be
17 considered a working day if the annuitant performs on it any of
18 his duties under the temporary employment agreement.

19 (c) Except as provided in subsection (a), beginning January
20 1, 1993, retirement annuities shall not be subject to
21 suspension upon resumption of employment for an employer, and
22 any retirement annuity that is then so suspended shall be
23 reinstated on that date.

24 (d) The changes made in this Section by this amendatory Act
25 of 1993 shall apply to judges no longer in service on its
26 effective date, as well as to judges serving on or after that

1 date.

2 (e) A participant receiving a retirement annuity under this
3 Article who serves as a part-time employee in any of the
4 following positions: Legislative Inspector General, Special
5 Legislative Inspector General, employee of the Office of the
6 Legislative Inspector General, Executive Director of the
7 Legislative Ethics Commission, or staff of the Legislative
8 Ethics Commission, but has not elected to participate in the
9 Article 14 System with respect to that service, shall not be
10 deemed to be regularly employed for compensation by an employer
11 other than a county, nor to have resumed service as a judge, on
12 the basis of that service, and the retirement annuity payments
13 and other benefits of that person under this Code shall not be
14 suspended, diminished, or otherwise impaired solely as a
15 consequence of that service. This subsection (e) applies
16 without regard to whether the person is in service as a judge
17 under this Article on or after the effective date of this
18 amendatory Act of the 93rd General Assembly. In this
19 subsection, a "part-time employee" is a person who is not
20 required to work at least 35 hours per week.

21 (f) A participant receiving a retirement annuity under this
22 Article who has made an election under Section 1-123 and who is
23 serving either as legal counsel in the Office of the Governor
24 or as Chief Deputy Attorney General shall not be deemed to be
25 regularly employed for compensation by an employer other than a
26 county, nor to have resumed service as a judge, on the basis of

1 that service, and the retirement annuity payments and other
2 benefits of that person under this Code shall not be suspended,
3 diminished, or otherwise impaired solely as a consequence of
4 that service. This subsection (f) applies without regard to
5 whether the person is in service as a judge under this Article
6 on or after the effective date of this amendatory Act of the
7 93rd General Assembly.

8 (g) Notwithstanding any other provision of this Article, if
9 a person who first becomes a participant under this System on
10 or after the effective date of this amendatory Act of the 96th
11 General Assembly is receiving a retirement annuity under this
12 Article and accepts employment in a position covered under this
13 Article or any other Article of this Code on a full-time basis,
14 then the person's retirement annuity under this System shall be
15 suspended during that employment. Upon termination of that
16 employment, the person's retirement annuity shall resume and,
17 if appropriate, be recalculated under the applicable
18 provisions of this Article.

19 (Source: P.A. 93-685, eff. 7-8-04; 93-1069, eff. 1-15-05.)

20 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

21 Sec. 18-128.01. Amount of survivor's annuity.

22 (a) Upon the death of an annuitant, his or her surviving
23 spouse shall be entitled to a survivor's annuity of 66 2/3% of
24 the annuity the annuitant was receiving immediately prior to
25 his or her death, inclusive of annual increases in the

1 retirement annuity to the date of death.

2 (b) Upon the death of an active participant, his or her
3 surviving spouse shall receive a survivor's annuity of 66 2/3%
4 of the annuity earned by the participant as of the date of his
5 or her death, determined without regard to whether the
6 participant had attained age 60 as of that time, or 7 1/2% of
7 the last salary of the decedent, whichever is greater.

8 (c) Upon the death of a participant who had terminated
9 service with at least 10 years of service, his or her surviving
10 spouse shall be entitled to a survivor's annuity of 66 2/3% of
11 the annuity earned by the deceased participant at the date of
12 death.

13 (d) Upon the death of an annuitant, active participant, or
14 participant who had terminated service with at least 10 years
15 of service, each surviving child under the age of 18 or
16 disabled as defined in Section 18-128 shall be entitled to a
17 child's annuity in an amount equal to 5% of the decedent's
18 final salary, not to exceed in total for all such children the
19 greater of 20% of the decedent's last salary or 66 2/3% of the
20 annuity received or earned by the decedent as provided under
21 subsections (a) and (b) of this Section. This child's annuity
22 shall be paid whether or not a survivor's annuity was elected
23 under Section 18-123.

24 (e) The changes made in the survivor's annuity provisions
25 by Public Act 82-306 shall apply to the survivors of a deceased
26 participant or annuitant whose death occurs on or after August

1 21, 1981.

2 (f) Beginning January 1, 1990, every survivor's annuity
3 shall be increased (1) on each January 1 occurring on or after
4 the commencement of the annuity if the deceased member died
5 while receiving a retirement annuity, or (2) in other cases, on
6 each January 1 occurring on or after the first anniversary of
7 the commencement of the annuity, by an amount equal to 3% of
8 the current amount of the annuity, including any previous
9 increases under this Article. Such increases shall apply
10 without regard to whether the deceased member was in service on
11 or after the effective date of this amendatory Act of 1991, but
12 shall not accrue for any period prior to January 1, 1990.

13 (g) Notwithstanding any other provision of this Article,
14 the initial survivor's annuity for a survivor of a participant
15 who first serves as a judge after the effective date of this
16 amendatory Act of the 96th General Assembly shall be in the
17 amount of 66 2/3% of the annuity received or earned by the
18 decedent, and shall be increased (1) on each January 1
19 occurring on or after the commencement of the annuity if the
20 deceased participant died while receiving a retirement
21 annuity, or (2) in other cases, on each January 1 occurring on
22 or after the first anniversary of the commencement of the
23 annuity, by an amount equal to 3% or the annual change in the
24 Consumer Price Index for All Urban Consumers, whichever is
25 less, of the survivor's annuity then being paid.

26 (Source: P.A. 86-273; 86-1488.)

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.34 as follows:

3 (30 ILCS 805/8.34 new)

4 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this amendatory Act of
7 the 96th General Assembly.

8 Section 97. Severability. The provisions of this Act are
9 severable under Section 1.31 of the Statute on Statutes.

10 Section 99. Effective date. This Section and the changes to
11 Section 17-129 of the Illinois Pension Code take effect upon
12 becoming law.